

Debt Collection Policy

Contents:

| | | |
|-----|---|----|
| 1. | Introduction and Purpose | 2 |
| 2. | Scope | 2 |
| 3. | Type of Debts..... | 3 |
| 4. | Income collection | 3 |
| 5. | Security Deposit..... | 3 |
| 6. | Tuition Fees | 4 |
| 7. | Tuition fee collection process | 4 |
| 8. | Implications for Non-Payment of Tuition Fees | 6 |
| 9. | Other invoices - Students | 7 |
| 10. | Payment hold & Penalties for Dishonored payments..... | 7 |
| 11. | Refund | 8 |
| 12. | Management of Bad Debt | 8 |
| 13. | Dispute Resolution | 10 |
| 14. | Privacy and Confidentiality..... | 10 |
| 15. | Exceptions and Discretion | 10 |
| 16. | Policy Review and Updates | 10 |

1. Introduction and Purpose

- 1.1. This document sets out the policy of the University in relation to student and non-student debt, along with the debt management procedures that will be followed. Recognising that student fees represent most of the University's income the policy focuses predominantly on student debt alongside the University's Tuition Fee Charging and Refund Policy.

2. Scope

- 2.1. The policy applies to all students/guardians including full and part-time, undergraduate, postgraduate, home and overseas students/guardians and is set out to ensure that all students are treated in a fair and equitable manner.
- 2.2. This policy applies to all outstanding debts owed to the University, including but not limited to tuition, fees, fines, and other charges related to university services. It covers all students/guardians, former students, alumni, staff, and external parties who owe debts to the University.
- 2.3. The University recognises that there will be instances where students/guardians face financial hardship which will impact on their ability to pay their fees and charges in full and on time. The University takes the welfare of all its students seriously and offers a variety of support and where appropriate financial assistance. Should any student find themselves in financial difficulty and are unable to pay their fees, it is imperative that they contact the Finance Income Team to discuss their specific circumstances and for advice about support available within the University
- 2.4. Students/guardians should also refer to the Student Contract relating to their year of entry, and the University's Tuition Fee Charging and Refund Policy.
- 2.5. Students/guardians must be aware that they are personally liable for payment of Tuition Fees relating to the course(s) they register on.
- 2.6. Where students/guardians owe a significant amount in overdue debt for tuition fees and have no means of paying this debt it will not be in the student's best interests for the University to allow them to continue their studies and increase their burden of debt.
- 2.7. Details of the provision of statements and reminders, for the various categories of debt are provided in the relevant sections of this policy which also details actions that may be taken to recover debt should a student or sponsor fail to either make payment, adhere to an

agreed payment plan or to contact the Finance Income Team regarding settlement of their account balance.

Contact Details are as follows:

Finance Department

Dubai Internet City Building 12 Ground Floor – Office

P.O. Box: 501870 United Arab Emirates

Tel : +9714 497 6114/6119

Email : finance.dubai@dmu.ac.uk

3. Type of Debts

- 3.1. Tuition and Fees: Unpaid tuition, registration fees, course fees, and other academic-related charges.
- 3.2. Fines: Library fines, parking tickets, lab fees, or any fines imposed by the University.
- 3.3. Miscellaneous Charges: Charges related to transportation or other services provided by the University.

4. Income collection

- 4.1. It is the responsibility of the Finance Team to ensure that revenue due to the University is collected and allocated by the efficient application of agreed credit control procedures.
- 4.2. It is the responsibility of the Admissions Team to ensure that tuition fees accurately reflect students' registration status and any discounts or scholarships they may be due. Student records must also be maintained accurately and updated on a timely basis to avoid any delays to the invoicing and debt collection procedures.

5. Security Deposit

- 5.1. There is a refundable security deposit (AED 2,000) charged to cover damage/breakage/loss in connection with academic or non-academic materials/consumables or any other charges. This deposit may also be applied against any outstanding debt or any fine that the University has imposed.

6. Tuition Fees

- 6.1. Tuition fees invoices will be sent via email to a student's University email address alongside any personal addresses the student has provided in line with GDPR regulations.
- 6.2. Our student tuition debt collection process starts at the point of Registration. All students must follow the payment requirements set out in the Tuition Fee Charging and Refund Policy. Failure to do so will result in reminder letters being sent to the students.

7. Tuition fee collection process

The following procedures apply to outstanding fees and charges due to the University:

- 7.1. Students/guardians will receive payment plans reflecting due dates for all the agreed instalments at the start of the intake.
- 7.2. If an instalment remains unpaid and due date is passed, a reminder notice will be sent to the student. The notice will include the amount due, the due date, and a request for immediate payment.
- 7.3. If the debt is not settled within 5 days of the first reminder, the student will receive a final past-due reminder, which may also include a late fee.
- 7.4. The failure to pay tuition fees in accordance with the chosen payment option will result in the full amount of the annual fee becoming due immediately. In all instances of non-payment, early communication with the Finance Team is strongly encouraged. If a student is identified as being overdue for payment of tuition fees and have not contacted the University by the due date, the following steps will be taken for each month the fee due remains unpaid:
 - 7.4.1 5th day of month - Finance Office will send a FIRST reminder letter to the student's DMU e-mail and personal (if available) email account drawing attention to the outstanding payment.
 - 7.4.2 10th Day of month - If the fees remain unpaid, a SECOND reminder letter will be sent to the student DMU e-mail and personal (if available) email account, setting out the implications of non-payment and stressing the importance of informing the University, as a matter of urgency, of the reason(s) as to why payment has not been

forthcoming

- 7.4.3 15th Day of the month - If the fees remain unpaid and the defaulting student/guardian has failed to make alternative arrangements with the Finance Office, his/her access to IT and Library facilities will be withdrawn. Access will not be re- instated until either the outstanding fees are paid in full, or a satisfactory payment plan has been agreed with the Legal Office. At this point, Student's Head of School/Programme will also be informed
 - 7.4.4 20th Day of the month - If the fees remain unpaid, the University at this point will withdraw any award of scholarship or other financial assistance offered to the student. The case will be referred to the Head of the DMU Dubai Campus recommending the withdrawal of the student from the programme of study unless the student provide evidence of exceptional circumstances which the University accepts as a legitimate reason for the failure to make payment on time. The University has the right to enforce withdrawal at any stage.
 - 7.4.5 A 4% P.A penalty charge may be levied on the outstanding unpaid balance on student fee account at this time. If withdrawn, University visa sponsored students will also have their visa cancelled immediately.
 - 7.4.6 25th Day of the month - If the fees remain unpaid, the Head of the Dubai Campus will write to the student notifying the University's decision regarding his/her withdrawal from the programme of study. Student's Head of School/Institute will also be notified of the situation. Your university sponsored visa (if applicable) of the defaulted will also be cancelled. Legal action will be taken at this stage to recover the outstanding debt
- 7.5 The following process will be followed if, for any reason, a payment is returned from the Bank unpaid:
- 7.5.1.1 Day 1 – the Finance Office will send an email to the student's DMU and personal (if available) email account drawing their attention to the dishonoured payment. Also, a penalty charge of 500 AED will be levied to cover administrative costs.
 - 7.5.1.2 Day 5 – If the fees remain unpaid, a letter will be sent to the student's DMU and personal (if available) email, setting out the implications of non-payment and

stressing the importance of informing the University, at the earliest opportunity, of the reason(s) as to why payment has not been forthcoming.

7.5.1.3 Day 10– If the fees remain unpaid, the authorities may be informed of the issue and action may be taken.

7.5.1.4 Day 15 - The procedures for Non-Payment of Tuition and Other Fees/Charges detailed above from Day 15 will then be followed.

Note: The University reserves the right to use its own discretion in applying other lawful methods for recovering tuition fee debt that remains unpaid after having applied its Debt Management Procedures.

8. Implications for Non-Payment of Tuition Fees

If after exhausting the debt collection procedures set out in section 6 any tuition fee debt remains unpaid the following sanctions will be applied against the student:

- 8.1.1. **Student ID card, Library Access & learning Zone** – 5th day from the second reminder letter for non-payment of tuition fees has been issued, the student's ID card, access to library & learning zones will be blocked. This will also deny access to buildings and restrict the ability to borrow books from the library. Access will only be reinstated once the University receives payment in full or an acceptable payment plan has been agreed with the Finance Income Team. This will normally be done within 72 hours (taking account of weekends where relevant).
- 8.1.2. **Students who default during their study** will be deregistered in line with the University's Charging and Refunding Policy and will only be reinstated once they have settled their debt or agreed an acceptable payment plan.
- 8.1.3. **Returning students** will not be allowed to re-register and will be withdrawn from their course unless they have settled in full any overdue debt from the preceding year/period of study at the University.
- 8.1.4. Students will not be eligible for any financial support from the University.
- 8.1.5. **Correspondence** – students with outstanding tuition fee debt will not be entitled to receive any University letter confirming them as a student, certificate of award, completion certificate or transcript until the debt is paid in full.

- 8.1.6. Any student with outstanding tuition fee debt **shall not receive the certificate for any degree, diploma or other qualification awarded by the University** until the debt is cleared in full.
- 8.1.7. **De-Registered and Non-Retuning Students** – Debts will be referred to the university's debt collection agencies if no response for resolution of outstanding debt has been received, where appropriate legal action will be taken to recover amounts outstanding.
- 8.1.8. **Completed or withdrawn from study** - Students who have completed or withdrawn from studies with outstanding debt without entering an acceptable payment plan will be served with a legal notice and a 10% charge of any outstanding debt may be added to the account. If the balance is cleared before any legal action is taken the 10% charge may be waived. This is to cover the costs the University will incur for taking legal action.

9. Other invoices - Students

- 9.1. Other charges applied to the student account during the year must be paid in full by the given due date.
- 9.2. The Finance Team will attempt to pursue these debts with at least one reminder letter and follow up phone call.
- 9.3. Should debts remain unpaid after the Finance Team have exhausted their collection procedures the account may be passed to Debt Collectors. The University reserves the right to pass on any third-party recovery fees in the pursuit of an unpaid debt.

10. Payment hold & Penalties for Dishonoured payments

- 10.1. Students/guardians who want their payment to be held for any reason must notify finance in writing 5 working days prior to their cheque, direct-debit or auto-card payment date.
- 10.2. Decision on holding the payment will be on case-to-case basis and will be subjected to the university discretion.
- 10.3. In case of Cheque is returned or direct debit & RCP fail, a penalty charge of AED500 will be levied to cover administrative costs.
- 10.4. The balance of any amounts due becomes immediately payable in full.

- 10.5. If students fail to clear the payment will then be subjected to the same collection policy of late or non-payment.
- 10.6. Students will not be permitted to graduate from the University where any academic debt remains outstanding.
- 10.7. Where a student is funded by a sponsor, and their sponsor has failed to make payment following our debt collection procedures of any academic fees e.g. tuition fees, the debt will be transferred to the student's account and must be paid in full prior to graduation.
- 10.8. Students will not be issued with any letter, Certificate of Award, Confirmation of Completion of Studies or Transcript whilst they have an outstanding academic debt.

11. Refunds

- 11.1. Refunds are returned to the source of payment, i.e. if paid by credit card the refund will be credited back to that card and if paid by bank transfer, it would be refunded back to the originating source bank account
- 11.2. If the bank account is no longer in use, the account holder will be required to provide to the Finance Team appropriate bank details in the name of the payer of the original amount.
- 11.3. The Finance Team aim to process refunds as soon as possible but authorisation from the relevant sections and any money laundering checks must be obtained and completed prior to payment being made.

12. Management of bad debt:

- 12.1. Where a student is no longer studying at or has been excluded from the university and still has outstanding debt, legal notice will be served, and a 10% charge of any outstanding debt may be added to the account. This 10% charge is to cover the costs the University will incur for taking legal action.
- 12.2. If the balance due is cleared before any legal action is taken the 10% charge may be waived.
- 12.3. If the debt has not been cleared within 14 days of legal notice being served, referral to a debt collection agency will follow.

- 12.4. For all non-student debt:
- 12.5. Unless agreed in advance, debts overdue for 90 days or more will be passed to a debt collection agency and may be referred for litigation.
- 12.6. Any additional costs incurred by the debt collection agency will be passed on to the debtor
- 12.7. Due consideration will be given for the level of overdue debt in order to determine whether it is economical to pursue recovery of the debt through legal means.
- 12.8. To enable the effective monitoring of the University debtor levels, a monthly aged debt report will be produced for the Financial Controller and Deputy Chief Finance Officer. This will identify movements of debtor balances and contain narrative commentary of key risks, issues and updates on debt collection activities.
- 12.9. Throughout the financial year once it is established that debts are likely to be irrecoverable or uneconomic to pursue further the debt will be recommended for write-off. The delegated authority limits for the writing off of bad debts is shown in the table below. Each proposed bad debt will be presented to the relevant body for approval.

| | |
|---------------|--|
| Up to AED30k | Head of Finance |
| Up to AED60k | Pro Vice Chancellor |
| Up to AED100k | Executive Director for Finance and Procurement |
| Up to AED400k | Finance and Performance Committee |
| Over AED400k | Board of Governors |

Where student debt has been written off the individual record in the student database will have the appropriate debtor flag attached.

13. Dispute Resolution

- 13.1. If a debtor believes that an error has been made in the billing or collection of debt, they should contact the University's Finance Office to resolve the dispute. All claims will be reviewed promptly, and any necessary adjustments will be made.
- 13.2. The withdrawal notice by Head of University may be revoked, subject to the approval from Head of Campus and the subsequent financial arrangement agreed with the student.

14. Privacy and Confidentiality

- 14.1. Information about a student's debt will not be disclosed to third parties without the student's consent, except where required by law or as part of the collection process.

15. Exceptions and Discretion

- 15.1. The University reserves the right to make exceptions or exercise discretion in certain circumstances, such as for students facing financial hardship, emergency situations, or extraordinary circumstances. Students seeking exceptions must submit a formal request to the Finance Office.

16. Policy Review and Updates

- 16.1. This policy will be reviewed annually and updated as necessary. Any changes to the policy will be communicated to all students, staff, and relevant stakeholders.